

PSJ3

Exhibit 33

Project Pearl

Internal Discussion Guide

Confidential

Project Objective/ Rationale

Build a partnership between Pearl and J&J that leverages each partner's assets and capabilities to create a Pain Management Franchise that is significantly larger and more profitable than that which the partners could build on their own

Background/ Status

- Agreement reached to meet for a discussion of partnership alternatives- scheduled for September 6
- J&J Work Team assembled to generate idea(s) and identify key issues- L. Ferrari, B. Fitzsimons, M. Grissinger, R. Kuntz
- Three options identified and discussed within the Work Team- to be reviewed with S. Fischer, D. Norton, and R. O'Neil

What Does Each Partner Bring?

J&J

- Sales/Marketing
- Duragesic
- Ultram
- Ultram SR
- Ultracet
- Intellectual property
- R&D pipeline and capabilities

Pearl

- Sales/Marketing
- Oxycontin
- MS Contin
- Ultram SR
- Palladone
- Intellectual property
- R&D pipeline and capabilities

Options Developed for Discussion

- Option 1 Reciprocal Co-promotion rights on all brands
- Option 2 R&D partnership for Co-development of new brands
- Option 3 Joint Venture that creates a stand-alone “Pain Company”

Partnership Options: Pro's/Con's

Reciprocal Co-pro	R&D Partnership	Pain Company JV
<u>Pro's</u> <ul style="list-style-type: none"> Creates full range of analgesics for physicians Both partners share in brands of others Creates revenue and cost synergies	<u>Pro's</u> <ul style="list-style-type: none"> Synergies across R&D teams Shared cost/ risk Leverage patents of both parties 	<u>Pro's</u> <ul style="list-style-type: none"> Creates dedicated "Pain company" – provides focus to grow franchise Clear commitment by both partners Leverages all pain assets of both partners
<u>Con's</u> <ul style="list-style-type: none"> Each partner gives up some control Resources requires to manage partnership 	<u>Con's</u> <ul style="list-style-type: none"> Each partner gives up some control Resources requires to manage partnership 	<u>Con's</u> <ul style="list-style-type: none"> Each partner gives up control Management issues of governance and financial reporting
<u>Issues</u> <ul style="list-style-type: none"> How to position all brands in a relevant way to physicians Historic rivalry How to incent reps How to assign dedicated pain sales force within J&J (impact on other brands) 	<u>Issues</u> <ul style="list-style-type: none"> Past dispute How to determine funding split Governance/ decision making mechanisms 	<u>Issues</u> <ul style="list-style-type: none"> All issues of other options plus overall governance issues
<u>Financial Structure</u> <ul style="list-style-type: none"> Revenue & profit split on all brands J&J - heavier revenue split Pearl - heavier profit split 	<u>Financial Structure</u> <ul style="list-style-type: none"> Negotiate split of dev costs – revenue & profit split to be proportional Co marketing 	<u>Financial Structure</u> <ul style="list-style-type: none"> J&J reports sales Pearl receives profit split

Preferred Approach/ Rationale

- Reciprocal Co-promotion
 - Potential for short-term impact vs.. R&D partnership
 - Less complex than JV
 - Positive experience with co-promotions could lead to R&D and broader relationship
-

Key Issues

- Creating one “pain sales force” within J&J- impact on other J&J brands
- Positioning all brands in a relevant way to physicians
- Establishing appropriate sales force incentives
- Governance
- Deal structure

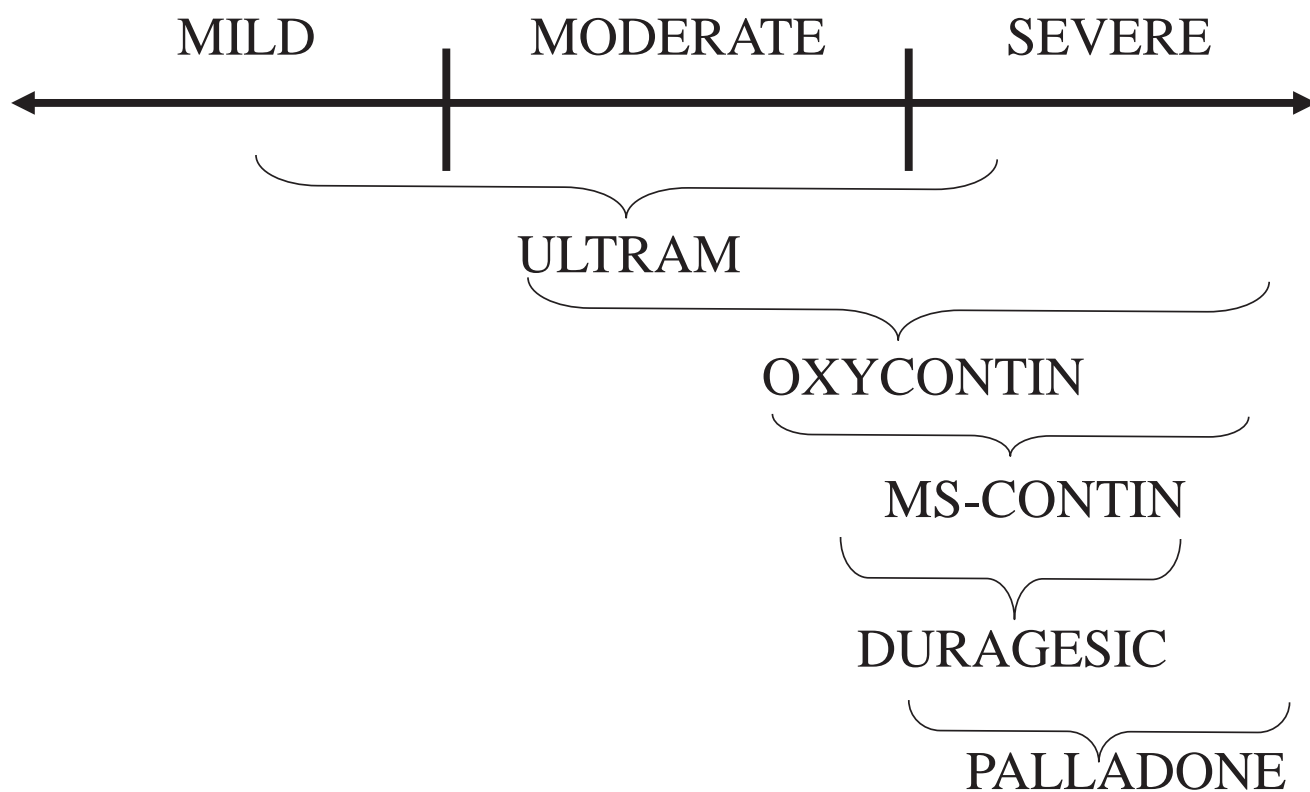
Next Steps

- Internal discussion of alternatives
- Develop “one Pain Sales force” configuration for J&J
- Refine deal structure for preferred option
- Prepare presentation for September 6 meeting with Pearl

Appendix I

Brand Descriptions & Positioning

Positioning Spectrum



PALLADONE

- Once daily sustained release hydromorphone -- contents can be sprinkled on food -- entirely novel sustained release technology with low abuse potential compared to MS-Contin or OxyContin.
- Indicated for relief of severe pain requiring prolonged use of an oral opioid preparation (Canada).
- Clinical studies in chronic severe cancer pain (Canada)
- Positioning: use in cancer pain based on superior side effect profile compared to morphine.

OXYCONTIN

- Twice or three times daily sustained release oxycodone -- tablets are not designed to be broken and should be taken whole.
 - Indicated for patients with moderate to severe pain requiring opioid therapy for more than a few days.
 - Positioning:
 - 24 hour pain control
 - Less frequent dosing
 - Single entity agent
 - No “ceiling” effect
 - Improved delivery system allowing both rapid and prolonged release
 - Easy to live with, easy to dose
 - For both cancer and non-cancer pain
-

DURAGESIC

- Once every 3 days transdermal fentanyl.
- Indicated for the treatment of chronic pain (such as that of malignancy).
- Positioning:
 - 72 hour pain control
 - Less frequent dosing
 - both cancer and non-cancer pain
- Product growing in non-malignant pain
- Strategy to move down in pain spectrum and broaden use beyond cancer.

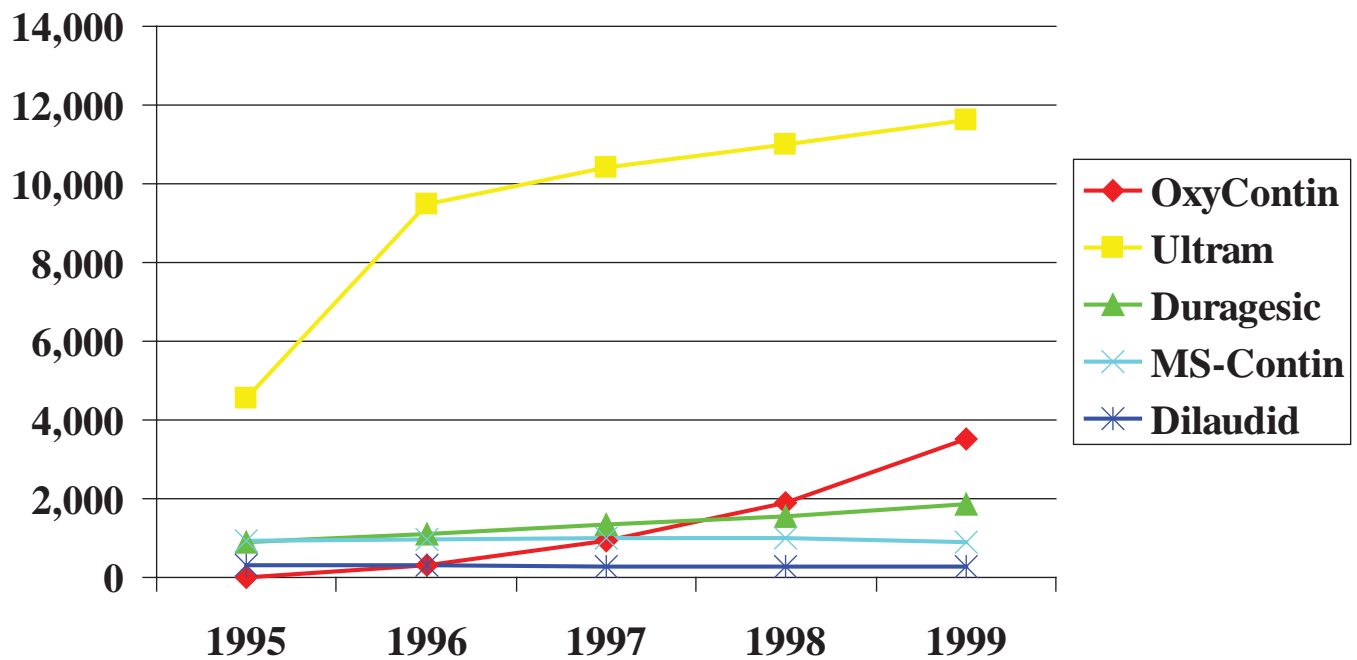
ULTRAM

- One to two tablets every 4-6 hours oral tramadol.
- Indicated for the treatment of moderate to moderately severe pain:
 - low addiction potential, non-scheduled
 - both cancer and non-cancer pain
- Strategy to use in place of opioids to control moderate to moderately severe pain.

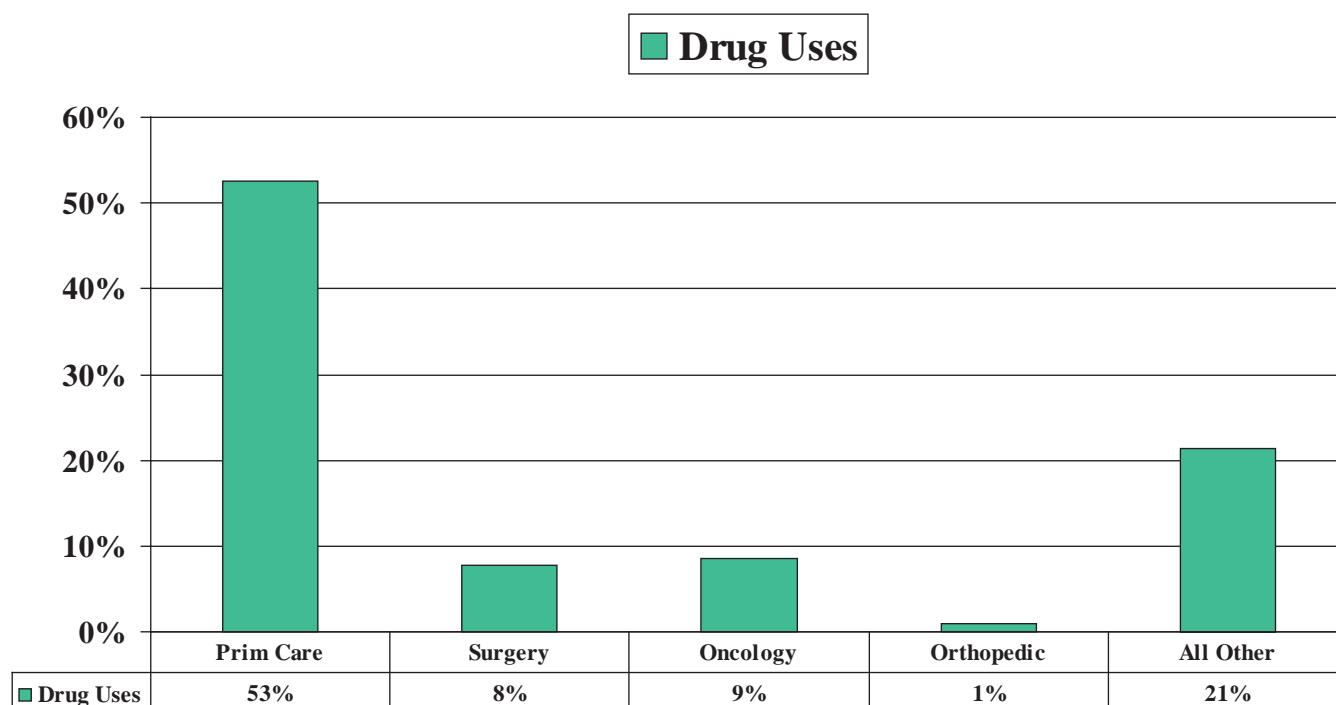
MS-CONTIN

- Twice or three times daily sustained release morphine -- tablets are not designed to be broken and should be taken whole.
 - Indicated for patients with moderate to severe pain requiring strong opioid therapy for more than a few days.
 - Positioning:
 - 24 hour pain control
 - Less frequent dosing
 - For both cancer and non-cancer pain
 - Generic -- While sales are declining (-10%) , still worth over \$140 million, some of that is price increase (have lost about \$60 million in revenues to generics)
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Total Prescriptions 000's



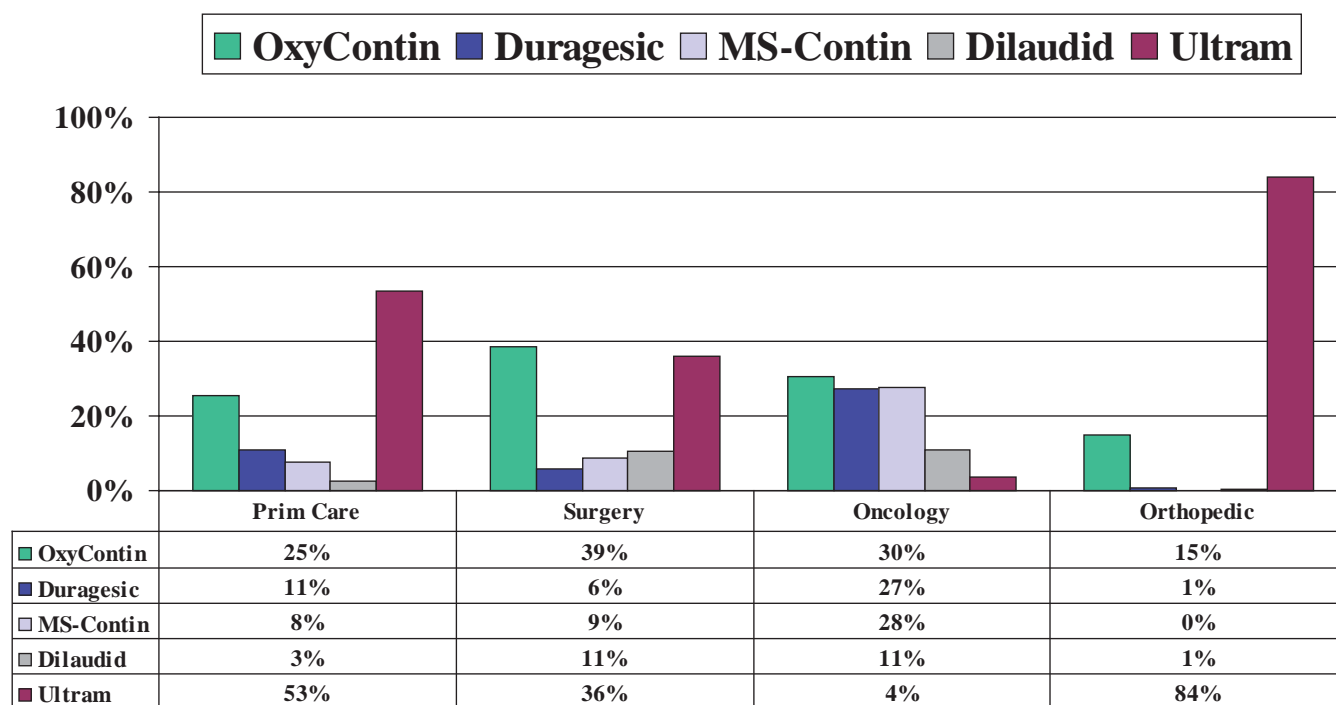
Use by Specialty



Source: IMS NDTI MAT/6/00
 Pharmaceuticals Group
 Business Development

Market defined as OxyContin, Duragesic, MS-Contin, Dilaudid, and Ultram
 July 31, 2019

Share by Specialty



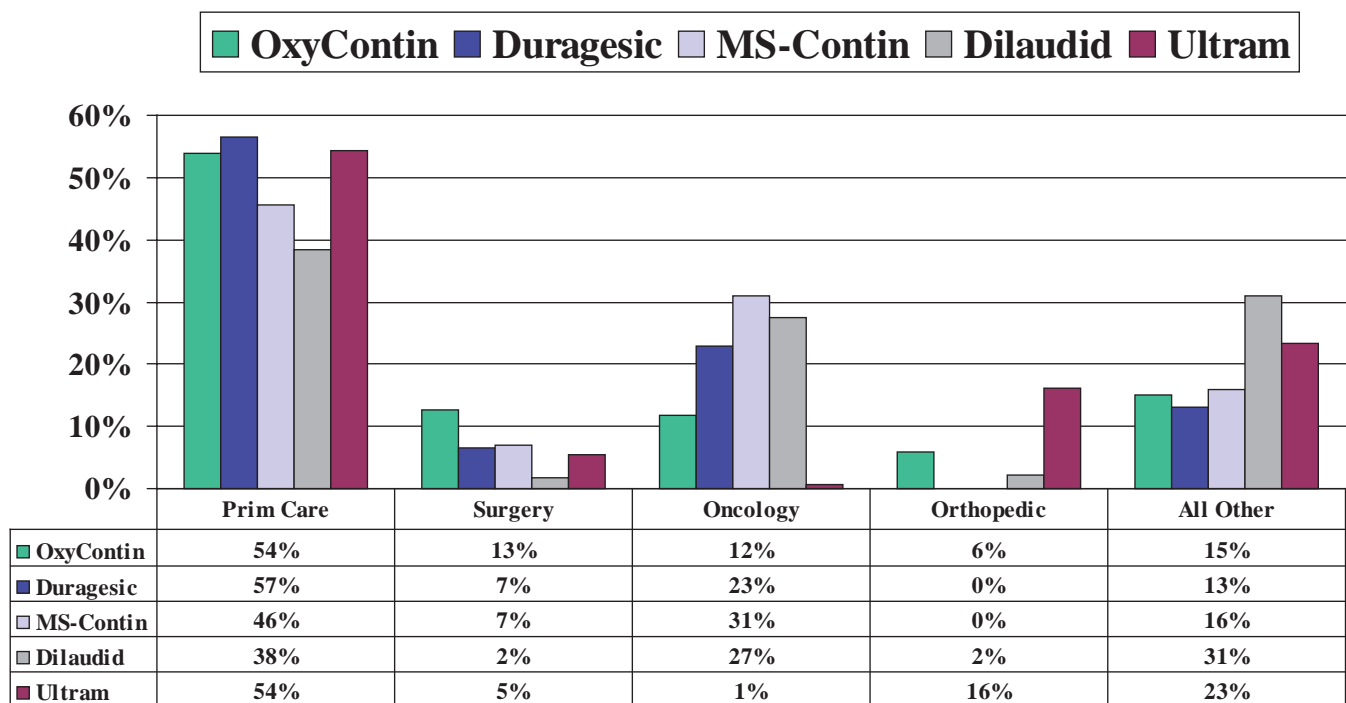
Source: IMS NDTI MAT/6/00
 Pharmaceuticals Group
 Business Development

Market defined as OxyContin, Duragesic, MS-Contin, Dilaudid, and Ultram
 July 31, 2019

Target Physician Audience

	MS-Contin	OxyContin	Ultram	Duragesic	Palladone
Primary Care		4	4	4	
Oncology	4	4	4	4	4
Surgery		4	4		
Orth Surg		4	4	4	
Pain Spec	4	4	4	4	4

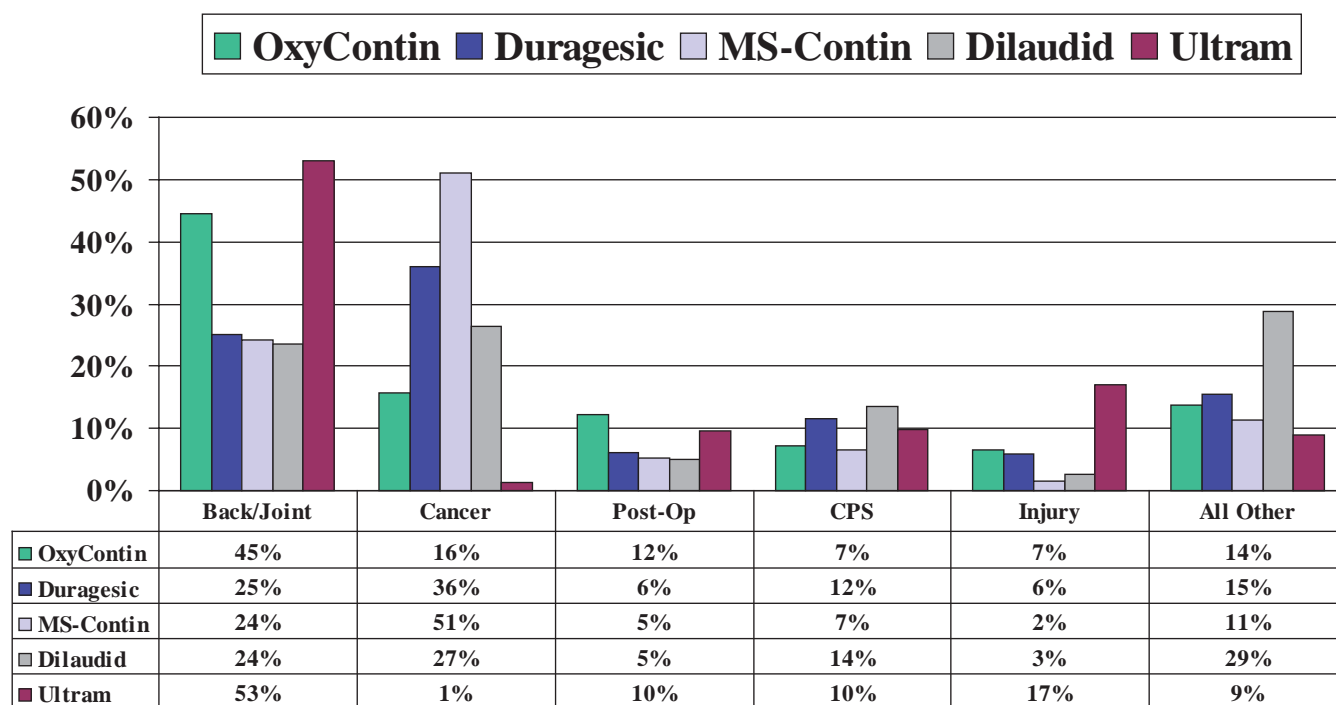
Use by Specialty



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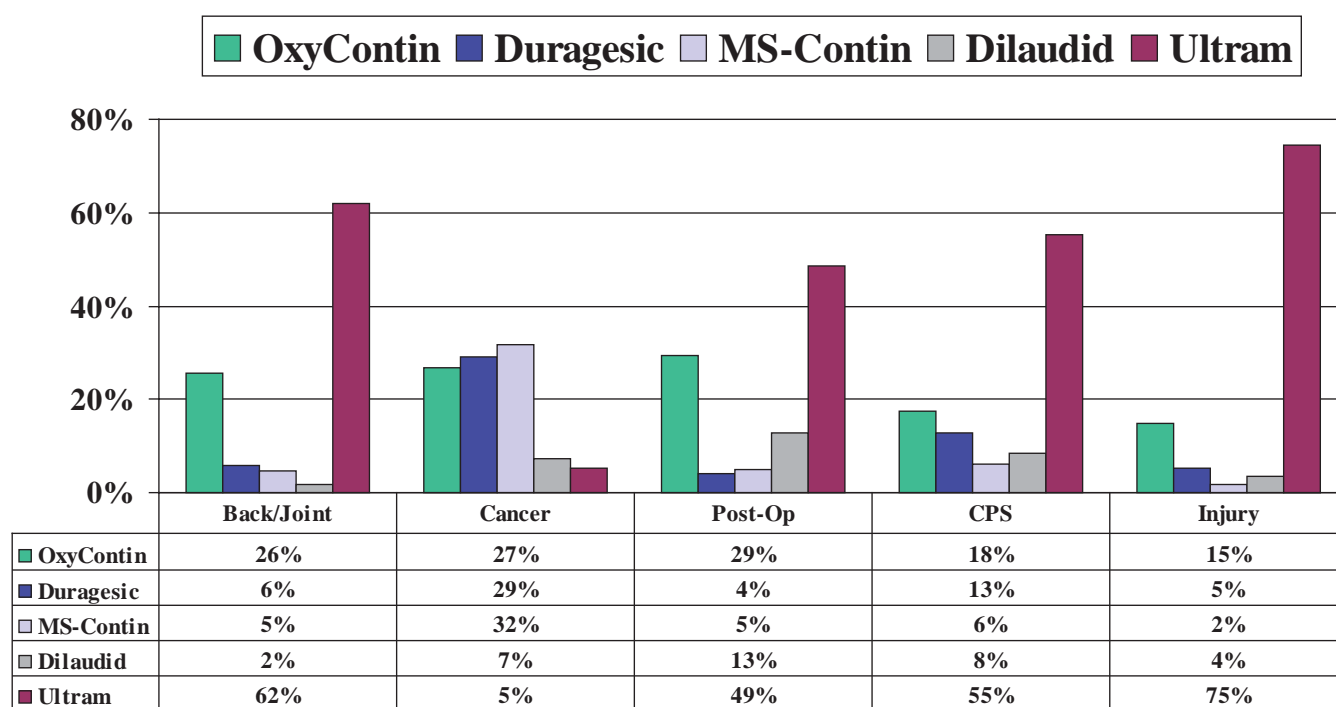
Use by Diagnosis



Source: IMS NDTI MAT/6/00
 Pharmaceuticals Group
 Business Development

Market defined as OxyContin, Duragesic, MS-Contin, Dilaudid, and Ultram
 July 31, 2019

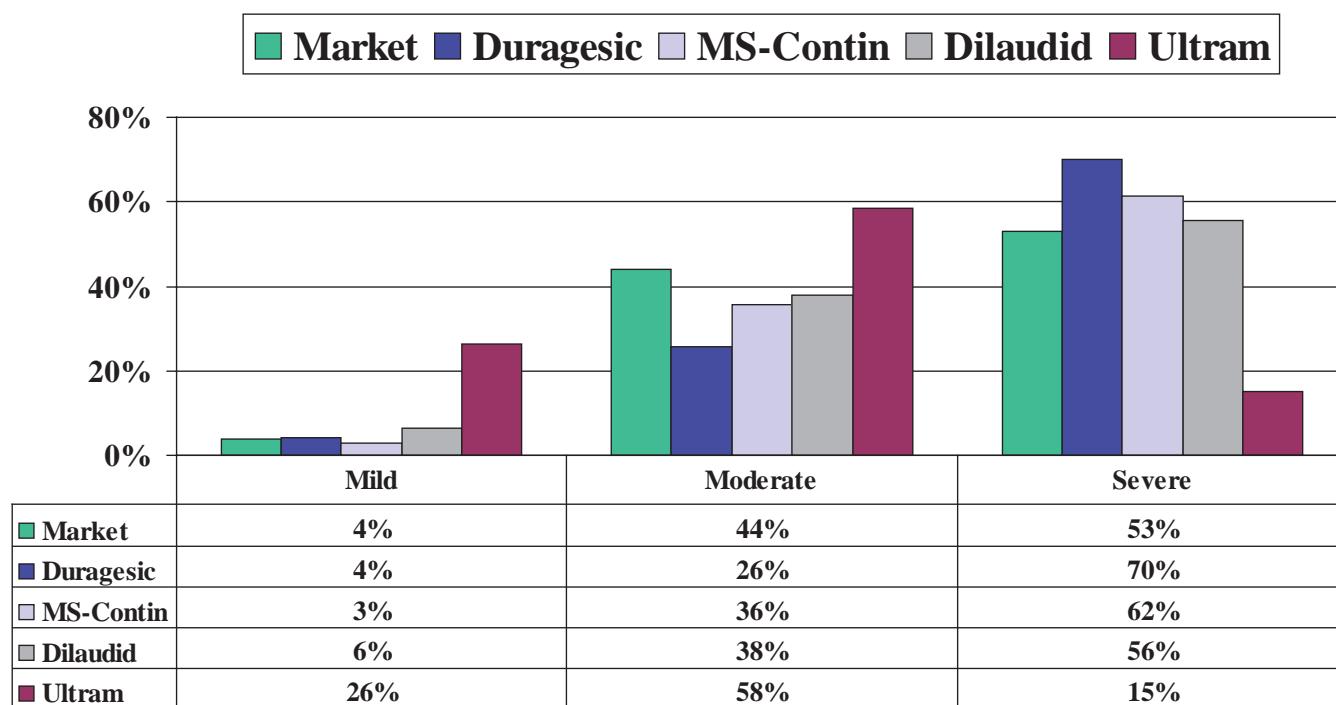
Share by Diagnosis



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 Business Development

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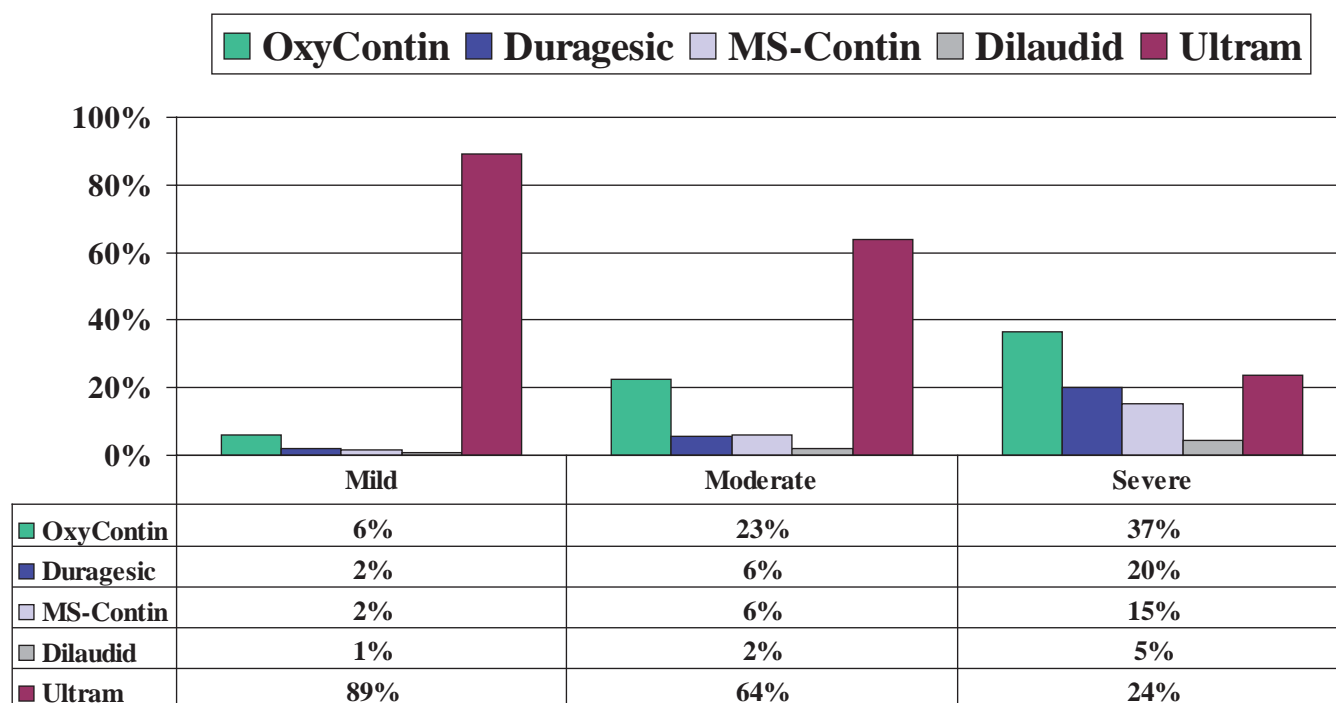
Use by Condition Severity



Source: IMS NDTI MAT/6/00
 Pharmaceuticals Group
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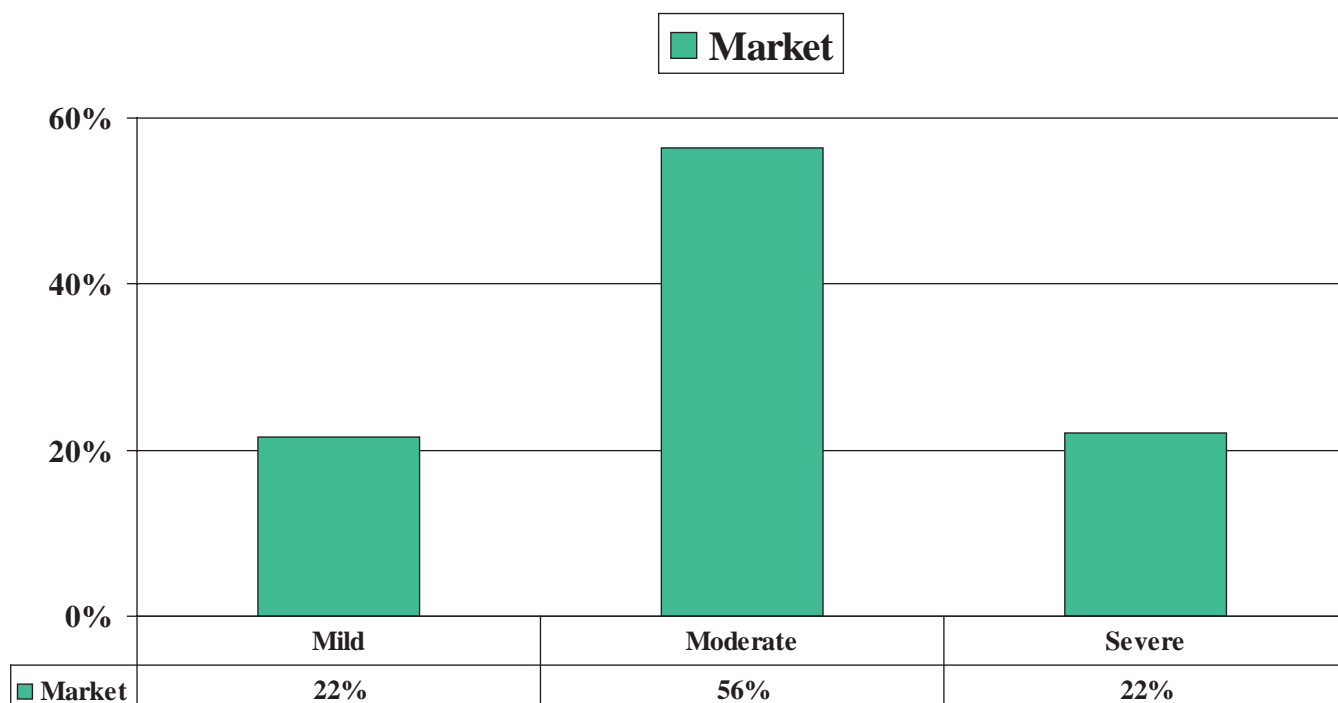
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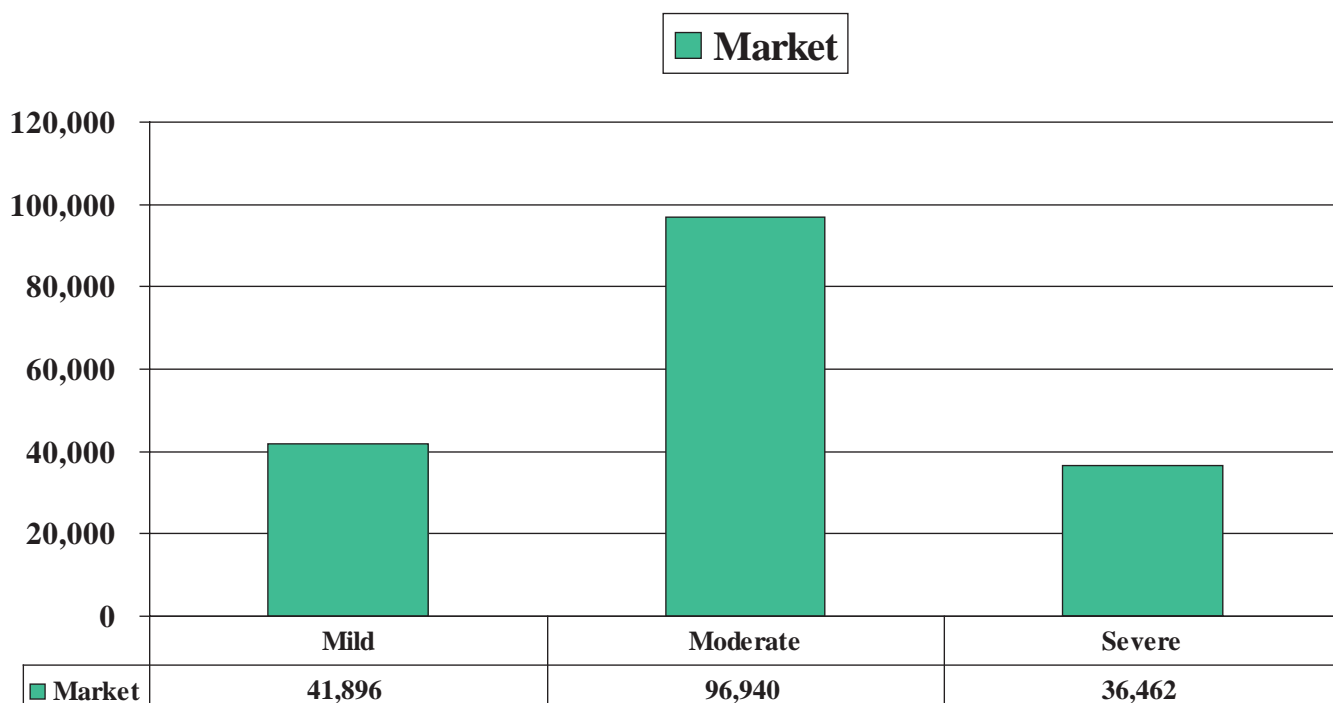


Source: IMS NDTI MAT/6/00
 Pharmaceuticals Group
 Business Development

Market defined as Codeine & Comb, Synthetic Non-narcotic, Syn Narcotic, Morphine & Op, Propoxyphene
 July 31, 2019

Use by Condition Severity

Rxs -- 000's



Source: IMS NDTI MAT/6/00
 Pharmaceuticals Group
 Business Development

Market defined as Codeine & Comb, Synthetic Non-narcotic, Syn Narcotic, Morphine & Op2, Propoxyphene
 July 31, 2019

Target Patient Audience

	MS-Contin	OxyContin	Ultram, Ultracet, Ultram SR	Duragesic	Palladone
Back		4	4	4	
Musculo-skeletal	4	4	4	4	
Post-op		4	4		4
Cancer	4	4	4	4	4
Severity	Severe	Mod/Severe	Moderate	Mod/Severe	Severe

Brand Positioning Strategies

	TARGET	PATIENT TYPE	STRATEGY	MESSAGE/ POSITIONING
Palladone	Primary Care, Oncology, Pain Specialists	Severe, Chronic Cancer Pain	Replace MS-Contin in cancer pain	Fewer side effects than morphine More potent than morphine
OxyContin	Primary Care, Oncology, Surgery, Orthopedic Surgery, Pain Specialists	Moderate to severe pain, both cancer & non-cancer	Replace MS-Contin in non-cancer pain, continue to replace Percocet	Effective pain control with low side effects and easy dosing for patients requiring opioid therapy for more than a few days, no <u>morphine stigma</u>
Duragesic	Primary Care, Oncology, Orthopedic Surgery, Pain Specialists	Chronic moderate to severe pain in cancer, back, joint.	Continue to grow cancer pain business while expanding non-cancer business, move down in pain spectrum with <u>lower dosing</u>	Convenient 3 day dosing while providing effective pain control with fewer side effects.
Ultram, Ultracet, Ultram SR	Primary Care, Surgery, Orthopedic Surgery, Pain Specialists	Moderate to Moderately Severe Pain	<u>Continue to grow the business in acute and chronic moderate to moderately severe pain</u>	Non-scheduled alternative
MS-Contin	NONE	NONE	Canabalize with OxyContin, Duragesic, and Palladone	Other products are better

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J&J Sales Force Deployment

- Issues
 - Significant primary detail requirement for all brands
 - Potentially 2 launches (ULTRACET & ULTRAM SR) in 6 months to a year
 - Unresolved market exclusivity issues with ULTRAM
 - ULTRAM SR co-promotion with PF
 - Janssen launching DTC campaign with DURAGESIC by mid-year 2001

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J&J Sales Force Requirements

- **Strategy**
 - Call requirement for primary position drives the need for 2 mirrored office based sales forces and one hospital based sales force
 - Each product will require 1+ million contacts each
 - PDEs will be determined with the launch of ULTRACET & ULTRAM SR and the DTC launch of DURAGESIC

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J&J Sales Force Audience

- Audience
 - Primary Care
 - Pain Specialists
 - Rheumatologists
 - Anesthesiologists
 - Other High Volume Prescribers
 - Surgeons
 - Oncologists
 - Neurologists

– 45,000 to 50,000 reach with a frequency of 20

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J&J Sales Force Call Plan

	Sales Force 1 N = 350	Sales Force 2 N = 350	Hospital Sales Force N = 100
Primary Care	Ultracet DURAGESIC® Ultram SR	DURAGESIC® Ultram SR Ultracet	DURAGESIC®/Ultracet/SR
Pain Specialists Rheumatologists Anestheologists All Other Primary Physicians	Ultracet DURAGESIC® Ultram SR	DURAGESIC® Ultram SR Ultracet	DURAGESIC®/Ultracet/SR
All Other HVPs	Ultracet DURAGESIC® Ultram SR	DURAGESIC® Ultram SR Ultracet	DURAGESIC®/Ultracet/SR

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J&J/PF Joint Sales Forces

- Strategy
 - Change J&J sales force from 2 mirrored office based sales force of 350 reps each and a hospital sales force of 100 reps to 1 office/hospital sales force of 700 reps
 - PF would mirror the J&J sales force with 700 office/hospital reps

Project Pearl Call Plan

Joint JNJ/Purdue

- Mirror Purdue and Janssen sales force
 - Combo territory
 - Fewer JNJ reps needed
- All 5 pain products carried by all representatives
- Rotation of products would develop on 3- to 4-month cycles according to need.

	Purdue N = 700	JNJ N = 700
Primary Care	OxyContin/Palidon Ultracet/SR/DURAGESIC [®]	Ultracet/SR/DURAGESIC [®] OxyContin/Palidon
Pain Specialists	OxyContin/Palidon Ultracet/SR/DURAGESIC [®]	Ultracet/SR/DURAGESIC [®] OxyContin/Palidon
All other HVPs	OxyContin/Palidon	Ultracet/SR/DURAGESIC [®]
	Ultracet/SR/DURAGESIC [®]	OxyContin/Palidon

Configuration of 350 Person Force

	PDEs	Contacts
Ultram SR	302,400	1,008,000
Ultracet	554,400	1,008,000
DURAGESIC[®]	756,000	1,008,000